This is the form of a material change report required under section 85(1) of the *Securities Act* and section 151 of the *Securities Rules*

BC FORM 53-901(F) (Previously Form 27)
SECURITIES ACT

MATERIAL CHANGE REPORT

NOTE: This form is intended as a guideline. A letter or other document may be used if the substantive requirements of this form are complied with.

NOTE: If this report is filed on a confidential basis, put at the beginning of the report in block capitals "CONFIDENTIAL – SECTION 85", and file in an envelope marked "Confidential – Attention: Supervisor, Financial Reporting.

1. Reporting Issuer

The full name and address of the principal office in Canada of the reporting issuer is:

New Media Systems Inc.
Suite 270, 4936 – 87 Street
Edmonton, AB T6E 5W3

2. Date of Material Change

The date of the material change is December 20, 2001.

3. Press Release:

The date and place of issuance of the press release(s) issued under section 85(1) of the Act is/are as follows:

Date of Issuance:	December 20, 2001
Place of Issuance:	Vancouver, British Columbia

4. Summary of Material Change

The Company has entered into a letter of intent to acquire a 100% undivided interest in PE-TECH Inc. The transaction will constitute a Change of Business and a Reverse Take-over, as defined by the policies of the Canadian Venture Exchange.

5. Full Description of Material Change

The Company has entered into a non-binding letter of intent to acquire a 100% undivided interest in PE-TECH Inc. ("PE-TECH"), a private corporation. The arms' length acquisition (the "Acquisition") will constitute a Change of Business and a Reverse Take-over as defined by the policies of the Canadian Venture Exchange ("Exchange").

PE-TECH acts as a holding company licensing its intellectual property to two operating subsidiaries, an oil service subsidiary, Prism Production Technologies Inc. ("Prism") and an environmental subsidiary, Wavefront Environmental Technologies Inc. ("Wavefront"). PE-TECH's intellectual property includes, but is not limited to, its patented *Pressure Pulse Technology*, high performance cements and oil reservoir monitoring and production optimization services.

Pressure Pulse Technology is a proven technology that enhances fluid flow in natural and man-made porous media. Worldwide applications of *Pressure Pulse Technology* include increasing the extraction rates and total recoverable reserves of conventional and heavy oils in new, existing and abandoned production fields, oil well stimulations, and, increasing the rate of removal of free groundwater contaminants.

Terms of the Acquisition includes the issue of 10 million common shares of the Company at a deemed price of $0.75 per share for the existing common shares of PE-TECH and the issuance of up to an additional 2 million common shares and up to 1 million share purchase warrants of the Company, in the event that PE-TECH successfully raises a total of $1 million (the "Funds") through the issuance of additional shares and warrants of PE-TECH. The shares and warrants to be issued by the Company in exchange for the common shares and warrants of PE-TECH will be subject to required hold periods, escrow restrictions, earn-out profit or other restrictions that the Exchange may impose; however, at a minimum, the principals of PE-TECH will be subject to a restriction on their shares based on the following: 10% of the principals' shares to be release upon the date of final approval by the Exchange of the Acquisition, and 30% of the principals' shares to be released after each period ending 6, 12, and 18 months from the date of final approval by the Exchange of the Acquisition. No finders fee is payable in connection with the transaction. The additional shares that will be issued in connection with Funds raised by PE-TECH will not be subject to the voluntary pooling restrictions.

In connection with the Funds to be raised by PE-TECH for its working capital, it is anticipated that all shares will be convertible, subject to Exchange approval to the Acquisition, into 2 million units of the Company at a deemed price of $0.50 per unit, each unit consisting of one common share and one half of one share purchase warrant, each full share purchase warrant exercisable to purchase one common share at $1.00 per share for a period of one year from the date of issuance.

Further, the 624,225 common shares of the Company currently held in escrow will be subject to cancellation without further compensation.

There is no direct or indirect interest of any of the Company's Insiders in any of PE-TECH's assets or business.

Completion of the transaction is subject to a number of conditions, including but not limited to, Exchange acceptance and disinterested shareholder approval. The transaction cannot close until the required shareholder approval is obtained. There can be no assurances that the transaction will be completed as proposed or at all.

6. Reliance on Section 85(2) of the Act

Not applicable.

7. Omitted Information

No significant facts remain confidential and no information has been omitted in this report.

8. Senior Officers

The name and business telephone number of a senior officer of the Company who is knowledgeable about the material change and the report or an officer through whom the Commission may contact that senior officer is as follows:

Name:	D. Brad Paterson, President
Bus. Tel:	(780) 463-3117

9. Statement of Senior Officer

The foregoing accurately discloses the material change referred to herein.

Dated at Vancouver, British Columbia, this 2nd day of January, 2002.

"D. Brad Paterson"
D. Brad Paterson, President